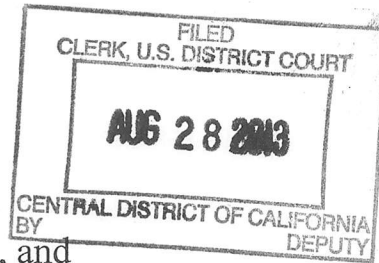


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CDA WEALTH CONSULTING, LLC, and  
SHEIK "ABIDA" KHAN



UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

CDA WEALTH CONSULTING,  
LLC., a California Limited Liability  
Company, and SHEIK "ABIDA"  
KHAN, an individual;

Plaintiffs,

v.

GLOBAL ONE FINANCIAL,  
INC., a Georgia Corporation doing  
business in California;  
AMERICAN GENERAL LIFE  
INSURANCE CO., a Texas  
Corporation doing business in  
California; DOES 1-10, inclusive;

Defendants.

**EDCV13-1555** DSF (DTBx)  
CASE NO:

**PLAINTIFFS CDA WEALTH  
CONSULTING, INC. AND SHEIK  
"ABIDA" KHAN'S COMPLAINT  
AGAINST DEFENDANTS GLOBAL  
ONE FINANCIAL, INC., AND  
AMERICAN GENERAL LIFE  
INSURANCE CO. FOR DAMAGES  
ARISING FROM:**

1. Breach of Contract
2. Negligent Misrepresentation
3. Intentional Misrepresentation
4. Fraud
5. Rescission of Contract
6. Unfair Competition in Violation of  
California Business & Professions Code  
§§ 17200, *et seq.*

COME NOW Plaintiffs CDA WEALTH CONSULTING, LLC., a California  
Limited Liability Company and SHEIK "ABIDA" KHAN, an individual, hereby  
allege their claims against Defendants GLOBAL ONE FINANCIAL, a Georgia  
Corporation doing business in the State of California, AMERICAN GENERAL

1 LIFE INSURANCE CO., a Texas Corporation doing business in the State of  
2 California, and DOES 1-100, inclusive, as follows:

3 **JURISDICTION & VENUE**

4 1. This Court has federal diversity jurisdiction over this civil action seeking  
5 damages and rescission of contract under 28 U.S.C. § 1332 given that both  
6 Plaintiffs are residents of a different state, California, from Defendants GLOBAL  
7 ONE FINANCIAL, INC. and AMERICAN GENERAL LIFE INSURANCE CO.,  
8 which are incorporated in the states of Georgia and Texas, respectively.

9 2. Venue in this district is proper pursuant to 28 U.S.C. § 1391(b) given that  
10 a substantial part of the events or omissions on which the claim is based occurred in  
11 the Central District of California.

12 **PARTIES**

13 3. Plaintiff CDA WEALTH CONSULTING, LLC ("Plaintiff CDA  
14 WEALTH") is, and was at all times relevant to this Action, a Nevada Limited  
15 Liability Company doing business in the County of San Diego.

16 4. Plaintiff SHEIK "ABIDA" KHAN ("Plaintiff KHAN") is, and was at all  
17 times relevant to this Action, an individual residing in the County of Riverside,  
18 State of California and was an equal business owner/partner/shareholder of the  
19 company, CDA WEALTH, together with CHET ADKINS.

20 5. Defendant GLOBAL ONE FINANCIAL, INC. ("Defendant GLOBAL  
21 ONE") is, and was at all times relevant to this Action, a Georgia Corporation doing  
22 business in the County of Los Angeles, State of California.

23 6. Defendant AMERICAN GENERAL LIFE INSURANCE CO.  
24 ("Defendant AMERICAN GENERAL") is, and was at all times relevant to this  
25 Action, a Texas Corporation doing business in the County of Los Angeles, State of  
26 California.

27 7. Plaintiffs CDA WEALTH and KHAN (collectively "Plaintiffs") are  
28 ignorant of the true names and capacities of the Defendants as sued in this



1 Complaint as DOES 1-100, inclusive, and therefore sue these Defendants by these  
2 fictitious names. Plaintiffs will amend this Complaint to allege such Defendants  
3 true names and capacities when the same have been ascertained. Plaintiffs are  
4 informed and believes, and based thereon alleges that, each of the fictitiously  
5 named Defendants is in some actionable manner legally responsible for the acts  
6 alleged herein.

7 8. Plaintiffs are informed and believe and on that basis allege, that at all  
8 times herein mentioned, all Defendants herein, whether named or fictitiously  
9 designated, were the agents, servants, employees, joint ventures, co-conspirators  
10 and/or the alter-egos of the remaining Defendants, and the acts that each of the  
11 Defendants were within the course and scope of their agency, service, employment,  
12 conspiracy, and with permission, consent, and ratification of each of the other  
13 Defendants.

#### 14 GENERAL ALLEGATIONS

15 9. Plaintiffs seek monetary damages from Defendants GLOBAL ONE,  
16 AMERICAN GENERAL, and DOES 1-100 (collectively "Defendants") based  
17 upon Defendants' breach of contract and misrepresentations made to Plaintiffs.

18 10. On or about December 16, 2010, ADKINS, as the President and CEO of  
19 Plaintiff CDA WEALTH, and Plaintiff KHAN assisted in applying for a Keyperson  
20 Equity Index UL Insurance Policy, for the benefit of Plaintiff CDA WEALTH,  
21 from Defendant AMERICAN GENERAL through a premium finance arrangement  
22 with Defendant GLOBAL ONE. As emphasized, ADKINS and KHAN both  
23 sought and were advised by GLOBAL ONE that they were applying for an Equity  
24 Index UL insurance policy for their company. As such, ADKINS as President of  
25 CDA signed the application documents for the subject Keyperson Equity Index UL  
26 Insurance Policy on behalf of Plaintiff CDA WEALTH in California.

27 11. Pursuant to this premium finance arrangement between ADKINS and  
28 Defendant GLOBAL ONE, ADKINS completed a loan application with Defendant

1 GLOBAL ONE for the loan amount of \$250k. This loan from Defendant  
2 GLOBAL ONE was closed on or about January 14, 2011.

3 12. At no time did either Defendant GLOBAL ONE or Defendant  
4 AMERICAN GENERAL inform any of the Plaintiffs that the subject Keyperson  
5 Life Insurance Policy was a modified endowment contract, despite the fact both  
6 GLOBAL ONE and Defendant AMERICAN GENERAL knew this to be the case.

7 13. On or about February 17, 2011, Defendant AMERICAN GENERAL sent  
8 Plaintiffs a life insurance policy sought by CDA WEALTH. This original copy of  
9 the policy received by Plaintiffs did not have an amendment for a term life  
10 insurance policy rider.

11 14. On or about February 12, 2012, ADKINS first discovered and noticed  
12 that his Keyperson Life Insurance Policy provided by Defendant AMERICAN  
13 GENERAL and obtained using the premium finance arrangement with Defendant  
14 GLOBAL ONE was amended and altered into a term policy without his consent,  
15 approval, or authority. Upon information and belief, sometime between February  
16 17, 2011 and February 12, 2012, Defendant GLOBAL ONE had apparently  
17 unilaterally and improperly amended the subject Keyperson Life Insurance Policy  
18 from an Equity Index UL policy as Plaintiffs intended into a term life insurance  
19 policy, which was never agreed to or consented to by Plaintiffs.

20 15. Instead, unbeknownst to Plaintiffs, the Keyperson Life Insurance Policy's  
21 base amount had been changed to \$12,338.00, with a 1.2 million term rider with an  
22 annual premium of \$50k and a five year index with zero return. These terms and  
23 conditions and amounts to the policy issued were never agreed to by Plaintiffs, but  
24 are believed to arise from illicit action taken by Defendants GLOBAL ONE and  
25 wrongfully approved by Defendant AMERICAN GENERAL.

26 16. On or about January 7, 2013, Plaintiffs informed Defendant GLOBAL  
27 ONE that CDA WEALTH sought to cancel the Keyperson Life Insurance Policy,  
28 since it had been discovered to be a term policy rather than the Equity Index UL



1 insurance policy CDA had actually and originally applied for. Defendant  
2 GLOBAL ONE informed Plaintiffs instead that it was not possible for the subject  
3 insurance policy to be cancelled, and if it was cancelled there would be substantial  
4 penalties.

5 17.ADKINS and KHAN properly completed the forms necessary for a cash-  
6 surrender of the Keyperson Life Insurance Policy, which was surrendered on or  
7 about February 8, 2013. Defendant AMERICAN GENERAL then sent directly to  
8 ADKINS a check for \$103,118.94.

9 18.Defendant AMERICAN GENERAL subsequently informed Plaintiffs  
10 that a mistake was made in the disbursement of the \$103,118.94 to ADKINS and  
11 advised that Defendants AMERICAN GENERAL and GLOBAL ONE were in  
12 discussions about resolving this mistake. Plaintiffs informed AMERICAN  
13 GENERAL that ADKINS intended to pay the loan directly to the assignee of the  
14 loan, Wells Fargo, once all issued on this policy was finally resolved, including the  
15 tax penalty issue wrongfully assessed or the cash surrender of this policy.

16 19.Wells Fargo then advised Plaintiffs that the assignment of the loan to  
17 Wells Fargo terminated when the Keyperson Life Insurance Policy was terminated,  
18 and as a result, ADKINS was left with a Modified Endowment Contract, with its  
19 attendant negative tax consequences.

20 20.Given the various misrepresentations made by both Defendants  
21 AMERICAN GENERAL and GLOBAL ONE that the Keyperson Life Insurance  
22 Policy purchased by ADKINS and KHAN was an Equity Index UL insurance  
23 policy, when in fact, unbeknownst to Plaintiffs, it was improperly issued as a term  
24 life insurance policy, and their intentional concealment of those facts regarding the  
25 improper and unnatural issues of the Term Rider to the subject policy issued to  
26 Plaintiff CDA WEALTH CONSULTING, Plaintiffs are properly and legally  
27 entitled to seek and obtain recovery of the resultant damages arising from  
28 Defendants' negligence and/or intentional, purposeful and fraudulent

1 misrepresentations and material breach of the insurance contract believed to have  
2 been contracted for, as well as for a proper rescission of the subject Keyperson Life  
3 Insurance Policy issued and return of all past insurance premium paid relevant to  
4 this matter. Plaintiffs are further entitled to additional monetary damages under the  
5 applicable law.

6 21. All such monetary damages are in a total amount to be proven and  
7 determined at time of Trial.

#### 8 **FIRST CAUSE OF ACTION**

##### 9 **(Breach of Contract Against All Defendants)**

10 22. Plaintiffs hereby incorporates and re-alleges paragraphs 1 through 21 as  
11 stated above, and incorporates them by reference as if fully set forth herein.

12 23. On or about December 16, 2010, ADKINS, who is the President and  
13 CEO of Plaintiff CDA WEALTH, and Plaintiff KHAN, as a principal  
14 owner/business partner/shareholder of CDA WEALTH applied for a Keyperson  
15 Equity Index UL Insurance Policy, for the benefit of Plaintiff CDA WEALTH,  
16 from Defendant AMERICAN GENERAL through a premium finance arrangement  
17 with Defendant GLOBAL ONE. As emphasized, Plaintiffs sought and was advised  
18 he was applying for an Equity Index UL insurance policy. ADKINS signed the  
19 application documents for the subject Keyperson Equity Index UL Insurance Policy  
20 on behalf of Plaintiff CDA WEALTH in California.

21 24. Pursuant to this premium finance arrangement between Plaintiffs and  
22 Defendant GLOBAL ONE, Plaintiffs completed a loan application with Defendant  
23 GLOBAL ONE for the loan amount of \$250k. This loan from Defendant  
24 GLOBAL ONE was closed on or about January 14, 2011.

25 25. On or about February 12, 2012, ADKINS and Plaintiff KHAN first  
26 discovered and noticed that the Keyperson Life Insurance Policy provided by  
27 Defendant AMERICAN GENERAL and obtained using the premium finance  
28 arrangement with Defendant GLOBAL ONE was amended and altered into a term



1 policy without Plaintiffs' consent, approval, or authority. Upon information and  
2 belief, sometime between February 17, 2011 and February 12, 2012, Defendant  
3 GLOBAL ONE unilaterally and improperly amended the subject Keyperson Life  
4 Insurance Policy from an Equity Index UL policy as Plaintiffs intended into a term  
5 life insurance policy.

6 26. Furthermore, unbeknownst to Plaintiffs, the Keyperson Life Insurance  
7 Policy's base amount was changed to \$12,338.00, with a 1.2 million term rider with  
8 an annual premium of \$50k and a five year index with zero return.

9 27. On or about January 7, 2013, Plaintiffs informed Defendant GLOBAL  
10 ONE that Plaintiffs sought to cancel the Keyperson Life Insurance Policy, which  
11 was discovered to be a term policy rather than the Equity Index UL policy that  
12 Plaintiffs actually applied for. Defendant GLOBAL ONE informed Plaintiffs that it  
13 was not possible for the subject insurance policy to be cancelled, without penalties.

14 28. Plaintiffs properly completed the forms necessary for a cash-surrender of  
15 the Keyperson Life Insurance Policy, which was surrendered on or about February  
16 8, 2013. Defendant AMERICAN GENERAL then sent to ADKINS a check for  
17 \$103,118.94.

18 29. Defendant AMERICAN GENERAL subsequently informed Plaintiffs  
19 that a mistake was made in the disbursement of the \$103,118.94 to ADKINS and  
20 advised that Defendants AMERICAN GENERAL and GLOBAL ONE were in  
21 discussions about resolving this mistake. Plaintiffs informed AMERICAN  
22 GENERAL that ADKINS intended to pay the loan directly to the assignee of the  
23 loan, Wells Fargo.

24 30. Wells Fargo then advised Plaintiffs that the assignment of the loan to  
25 Wells Fargo terminated when the Keyperson Life Insurance Policy was terminated,  
26 and as a result, Plaintiff ADKINS was left with a Modified Endowment Contract,  
27 with its attendant negative tax consequences. Plaintiffs have, thus, suffered  
28 significant monetary damages due to Defendants' breach of their respective

1 contracts with Plaintiffs in terms of the wrongful and unauthorized insertion of the  
2 Term Rider, which resulted in a Term policy, not Equity Index UL Policy, as was  
3 thought and believed to have been purchased by Plaintiffs to be issued in this  
4 matter.

5 31. As such, Defendant AMERICAN GENERAL and GLOBAL ONE have  
6 materially and wrongfully breached the contract with Plaintiffs by failing to provide  
7 Plaintiff's with the Equity Index UL insurance policy sought by Plaintiffs, and  
8 instead providing Plaintiffs' with a Modified Endowment Contract. Consequently,  
9 Plaintiffs are properly and legally entitled to seek and obtain monetary damages to  
10 recompense them for Defendants' breach of contract, including but not limited to  
11 any statutory penalties pertinent to the insurance regulations as regarding the  
12 violations committed by Defendants AMERICAN GENERAL and GLOBAL ONE  
13 arising from their illicit actions in this matter in a total amount to be proven and  
14 established at time of Trial of this case.

## 15 SECOND CAUSE OF ACTION

### 16 (Negligent Misrepresentation Against All Defendants)

17 32. Plaintiffs hereby incorporates and re-alleges paragraphs 1 through 31 as  
18 stated above, and incorporates them by reference as if fully set forth herein.

19 33. As stated above, Defendant AMERICAN GENERAL and its agent  
20 Defendant GLOBAL ONE through its representatives, such as Jon Scaman,  
21 negligently misrepresented the material terms and conditions of the life insurance  
22 products it had sold to Plaintiffs.

23 34. Specifically, notwithstanding the fact that the Keyperson Life Insurance  
24 Policy contained a term policy unbeknownst to Plaintiffs, from December 2010  
25 through February 2012, Defendants AMERICAN GENERAL and Defendant  
26 GLOBAL ONE, through its representative Jon Scaman, expressly advised Plaintiffs  
27 that they had purchased an Equity Index UL insurance policy. Defendants had no  
28 proper basis for believing this statement was true, and negligently made these



1 statements to Plaintiffs to induce them into purchasing the Keyperson Life  
2 Insurance Policy from Defendant AMERICAN GENERAL and entering into the  
3 premium financing arrangement with Defendant GLOBAL ONE.

4 35. Plaintiffs reasonably relied upon the misrepresentations negligently  
5 made by Defendant AMERICAN GENERAL and Defendant GLOBAL ONE,  
6 through its representative Jon Scaman, to their severe financial detriment and harm.  
7 In this, Plaintiffs were forced to pay premiums on the Keyperson Life Insurance  
8 Policy, notwithstanding the fact that that policy had been amended and altered with  
9 a term rider by Defendant GLOBAL ONE without the approval or knowledge of  
10 Plaintiffs.

11 36. On or about February 12, 2012, Plaintiffs first discovered and noticed  
12 that his Keyperson Life Insurance Policy provided by Defendant AMERICAN  
13 GENERAL and obtained using the premium finance arrangement with Defendant  
14 GLOBAL ONE was improperly amended and wrongfully altered into a term policy  
15 without his consent, approval, or authority. Upon information and belief, sometime  
16 between February 17, 2011 and February 12, 2012, Defendant GLOBAL had  
17 unilaterally and improperly amended the subject Keyperson Life Insurance Policy  
18 from an Equity Index UL policy as Plaintiffs intended into a term life insurance  
19 policy.

20 37. Furthermore, unbeknownst to Plaintiffs, the Keyperson Life Insurance  
21 Policy's base amount was changed to \$12,338.00, with a 1.2 million term rider with  
22 an annual premium of \$50k and a five year index with zero return.

23 38. Thereafter, Plaintiffs attempted to obtain clarification from both  
24 Defendants GLOBAL ONE and AMERICAN GENERAL on this issue and  
25 requested an audit to be performed around the early 2012 time period but instead  
26 got the runaround and total lack of any adequate explanations received from  
27 Defendants in terms of this issue and what could be done to fix or remedy this  
28 problem.

1           39. On or about January 7, 2013, Plaintiffs informed Defendant GLOBAL  
2 ONE that Plaintiffs sought to cancel the Keyperson Life Insurance Policy, which  
3 was discovered to be a term policy rather than the Equity Index UL policy that  
4 Plaintiffs actually applied and paid for. Defendant GLOBAL ONE informed  
5 Plaintiffs that it was not possible for the subject insurance policy to be cancelled,  
6 without penalties.

7           40. Plaintiffs properly completed the forms necessary for a cash-surrender of  
8 the Keyperson Life Insurance Policy, which was surrendered on or about February  
9 8, 2013. Defendant AMERICAN GENERAL then sent to ADKINS a check for  
10 \$103,118.94.

11           41. Defendant AMERICAN GENERAL subsequently informed Plaintiffs  
12 that a mistake was made in the disbursement of the \$103,118.94 to Plaintiff  
13 ADKINS and advised that Defendants AMERICAN GENERAL and GLOBAL  
14 ONE were in discussions about resolving this mistake. Plaintiffs informed  
15 AMERICAN GENERAL that Plaintiffs intended to pay the loan directly to the  
16 assignee of the loan, Wells Fargo.

17           42. Wells Fargo then advised Plaintiffs that the assignment of the loan to  
18 Wells Fargo terminated when the Keyperson Life Insurance Policy was terminated,  
19 and as a result, Plaintiffs were left with a Modified Endowment Contract, with its  
20 attendant negative tax consequences.

21           43. Given the various misrepresentations made by both Defendant  
22 AMERICAN GENERAL and GLOBAL ONE that the Keyperson Life Insurance  
23 Policy purchased by Plaintiffs was an Equity Index UL insurance policy, when in  
24 fact, unbeknownst to Plaintiffs, it was a term life insurance policy, and their  
25 intentional concealment of the fact that the insurance policy was a Modified  
26 Endowment Contract, Plaintiffs are properly and legally entitled to seek and obtain  
27 monetary damages against Defendants arising from these negligently made  
28



1 misrepresentations relevant to the subject policy issued in this matter in a total  
2 amount to be proven and determined at time of Trial.

3 **THIRD CAUSE OF ACTION**

4 **(Intentional Misrepresentation Against All Defendants)**

5 44.Plaintiffs hereby incorporates and re-alleges paragraphs 1 through 31 as  
6 stated above, and incorporates them by reference as if fully set forth herein

7 45.As stated above, Defendant AMERICAN GENERAL and its agent  
8 Defendant GLOBAL ONE through its representatives, such as Jon Scaman,  
9 intentionally, consciously, purposefully misrepresented the material terms and  
10 conditions of the life insurance products it had sold to Plaintiffs.

11 46.Specifically, notwithstanding the fact that the Keyperson Life Insurance  
12 Policy contained a term policy unbeknownst to Plaintiffs, from December 2010  
13 through February 2012, Defendants AMERICAN GENERAL and Defendant  
14 GLOBAL ONE, through its representative Jon Scaman, expressly advised Plaintiffs  
15 that they had purchased an Equity Index UL insurance policy. Defendants knew  
16 this statement was false, and intentionally, purposefully, and maliciously made  
17 these untrue statements to Plaintiffs to induce them into purchasing the Keyperson  
18 Life Insurance Policy from Defendant AMERICAN GENERAL and entering into  
19 the premium financing arrangement with Defendant GLOBAL ONE.

20 47. Plaintiffs reasonably relied upon the misrepresentations intentionally  
21 made by Defendant AMERICAN GENERAL and Defendant GLOBAL ONE,  
22 through its representative Jon Scaman, to their severe financial detriment and harm.  
23 In this, Plaintiffs were forced to pay premiums on the Keyperson Life Insurance  
24 Policy, notwithstanding the fact that that policy had been amended and altered with  
25 a term rider by Defendant GLOBAL ONE without the approval or knowledge of  
26 Plaintiffs.

27 48.On or about February 12, 2012, Plaintiffs first discovered and noticed  
28 that his Keyperson Life Insurance Policy provided by Defendant AMERICAN

1 GENERAL and obtained using the premium finance arrangement with Defendant  
2 GLOBAL ONE was amended and altered into a term policy without his consent,  
3 approval, or authority. Upon information and belief, sometime between February  
4 17, 2011 and February 12, 2012, Defendant GLOBAL unilaterally and improperly  
5 amended the subject Keyperson Life Insurance Policy from an Equity Index UL  
6 policy as Plaintiffs intended into a term life insurance policy.

7 49. Furthermore, unbeknownst to Plaintiffs, the Keyperson Life Insurance  
8 Policy's base amount was changed to \$12,338.00, with a 1.2 million term rider with  
9 an annual premium of \$50k and a five year index with zero return.

10 50. Thereafter, Plaintiffs attempted to obtain clarification from both  
11 Defendants GLOBAL ONE and AMERICAN GENERAL on this issue and  
12 requested an audit to be performed around the early 2012 time period but instead  
13 got the runaround and total lack of any adequate explanations received from  
14 Defendants in terms of this issue and what could be done to fix or remedy this  
15 problem.

16 51. On or about January 7, 2013, Plaintiffs informed Defendant GLOBAL  
17 ONE that Plaintiffs sought to cancel the Keyperson Life Insurance Policy, which  
18 was discovered to be a term policy rather than the Equity Index UL policy that  
19 Plaintiffs actually applied for. Defendant GLOBAL ONE informed Plaintiffs that it  
20 was not possible for the subject insurance policy to be cancelled.

21 52. Plaintiffs properly completed the forms necessary for a cash-surrender of  
22 the Keyperson Life Insurance Policy, which was surrendered on or about February  
23 8, 2013. Defendant AMERICAN GENERAL then sent to ADKINS a check for  
24 \$103,118.94.

25 53. Defendant AMERICAN GENERAL subsequently informed Plaintiffs  
26 that a mistake was made in the disbursement of the \$103,118.94 to ADKINS and  
27 advised that Defendants AMERICAN GENERAL and GLOBAL ONE were in  
28 discussions about resolving this mistake. Plaintiffs informed AMERICAN



1 GENERAL that ADKINS intended to pay the loan directly to the assignee of the  
2 loan, Wells Fargo.

3 54. Wells Fargo then advised Plaintiffs that the assignment of the loan to  
4 Wells Fargo terminated when the Keyperson Life Insurance Policy was terminated,  
5 and as a result, Plaintiffs were left with a Modified Endowment Contract, with its  
6 attendant negative tax consequences.

7 55. Given the various misrepresentations made by both Defendant  
8 AMERICAN GENERAL and GLOBAL ONE that the Keyperson Life Insurance  
9 Policy purchased by Plaintiffs was an Equity Index UL insurance policy, when in  
10 fact, unbeknownst to Plaintiffs, it was a term life insurance policy, and their  
11 intentional concealment of the fact that the insurance policy was a Modified  
12 Endowment Contract, Plaintiffs are properly and legally entitled to seek and obtain  
13 monetary damages, including punitive damages, for Defendants' intentionally and  
14 fraudulently made misrepresentations in a total amount to be proven and  
15 determined at time of Trial of this case.

#### 16 **FOURTH CAUSE OF ACTION**

#### 17 **(Fraud Against All Defendants)**

18 56. Plaintiffs hereby incorporates and re-alleges paragraphs 1 through 31 and  
19 44 through 55 as stated above, and incorporates them by reference as if fully set  
20 forth herein.

21 57. As stated above, Defendant AMERICAN GENERAL and its agent  
22 Defendant GLOBAL ONE through its representatives, such as Jon Scaman,  
23 intentionally, purposefully, maliciously and fraudulently misrepresented the  
24 material terms and conditions of the life insurance products it had sold to Plaintiffs.

25 58. Specifically, notwithstanding the fact that the Keyperson Life Insurance  
26 Policy contained a term policy unbeknownst to Plaintiffs, from December 2010  
27 through February 2012, Defendants AMERICAN GENERAL and Defendant  
28 GLOBAL ONE, through its representative Jon Scaman, expressly advised Plaintiffs

1 that they had purchased an Equity Index UL insurance policy. Defendants knew  
2 this statement was false, and intentionally, purposefully, maliciously and  
3 fraudulently made these untrue statements to Plaintiffs to induce them into  
4 purchasing the Keyperson Life Insurance Policy from Defendant AMERICAN  
5 GENERAL and entering into the premium financing arrangement with Defendant  
6 GLOBAL ONE.

7 59. Plaintiffs reasonably relied upon the misrepresentations intentionally and  
8 falsely made by Defendant AMERICAN GENERAL and Defendant GLOBAL  
9 ONE, through its representative Jon Scaman, to their severe financial detriment and  
10 harm. In this, Plaintiffs were forced to pay premiums on the Keyperson Life  
11 Insurance Policy, notwithstanding the fact that that policy had been amended and  
12 altered with a term rider by Defendant GLOBAL ONE without the approval or  
13 knowledge of Plaintiffs.

14 60. On or about February 12, 2012, Plaintiffs first discovered and noticed  
15 that his Keyperson Life Insurance Policy provided by Defendant AMERICAN  
16 GENERAL and obtained using the premium finance arrangement with Defendant  
17 GLOBAL ONE was amended and altered into a term policy without his consent,  
18 approval, or authority. Upon information and belief, sometime between February  
19 17, 2011 and February 12, 2012, Defendant GLOBAL unilaterally and improperly  
20 amended the subject Keyperson Life Insurance Policy from an Equity Index UL  
21 policy as Plaintiffs intended into a term life insurance policy.

22 61. Furthermore, unbeknownst to Plaintiffs, the Keyperson Life Insurance  
23 Policy's base amount was changed to \$12,338.00, with a 1.2 million term rider with  
24 an annual premium of \$50k and a five year index with zero return.

25 62. Thereafter, Plaintiffs attempted to obtain clarification from both  
26 Defendants GLOBAL ONE and AMERICAN GENERAL on this issue and  
27 requested an audit to be performed around the early 2012 time period but instead  
28 got the runaround and total lack of any adequate explanations received from



1 Defendants in terms of this issue and what could be done to fix or remedy this  
2 problem.

3 63. On or about January 7, 2013, Plaintiffs informed Defendant GLOBAL  
4 ONE that Plaintiff ADKINS sought to cancel the Keyperson Life Insurance Policy,  
5 which was discovered to be a term policy rather than the Equity Index UL policy  
6 that Plaintiffs actually applied for. Defendant GLOBAL ONE informed Plaintiffs  
7 that it was not possible for the subject insurance policy to be cancelled.

8 64. Plaintiffs properly completed the forms necessary for a cash-surrender of  
9 the Keyperson Life Insurance Policy, which was surrendered on or about February  
10 8, 2013. Defendant AMERICAN GENERAL then sent to ADKINS a check for  
11 \$103,118.94.

12 65. Defendant AMERICAN GENERAL subsequently informed Plaintiffs  
13 that a mistake was made in the disbursement of the \$103,118.94 to ADKINS and  
14 advised that Defendants AMERICAN GENERAL and GLOBAL ONE were in  
15 discussions about resolving this mistake. Plaintiffs informed AMERICAN  
16 GENERAL that Plaintiffs intended to pay the loan directly to the assignee of the  
17 loan, Wells Fargo.

18 66. Wells Fargo then advised Plaintiffs that the assignment of the loan to  
19 Wells Fargo terminated when the Keyperson Life Insurance Policy was terminated,  
20 and as a result, Plaintiffs were left with a Modified Endowment Contract, with its  
21 attendant negative tax consequences.

22 67. Given the various misrepresentations made by both Defendant  
23 AMERICAN GENERAL and GLOBAL ONE that the Keyperson Life Insurance  
24 Policy purchased by Plaintiffs was an Equity Index UL insurance policy, when in  
25 fact, unbeknownst to Plaintiffs, it was a term life insurance policy, and their  
26 intentional concealment of the fact that the insurance policy was a Modified  
27 Endowment Contract, Plaintiffs are properly and legally entitled to seek and obtain  
28 monetary damages, including an award for punitive damages arising from

1 Defendants' intentional, malicious, purposeful and fraudulent misrepresentations  
2 pertinent to this matter in a total amount to be proven and determined at time of  
3 Trial of this case.

4 **FIFTH CAUSE OF ACTION**

5 **(Rescission of Contract Against All Defendants)**

6 68.Plaintiffs hereby incorporates and re-alleges paragraphs 1 through 67 as  
7 stated above, and incorporates them by reference as if fully set forth herein

8 69.As emphasized, Plaintiffs specifically sought to purchase a Keyperson  
9 Equity Index UL Insurance Policy for the benefit of Plaintiff CDA WEALTH.  
10 Furthermore, at the time Plaintiffs purchased the subject life insurance policy,  
11 Defendants AMERICAN GENERAL and GLOBAL ONE expressly advised  
12 Plaintiffs that the Keyperson Life Insurance Policy purchased was an Equity Index  
13 UL policy.

14 70.Unbeknownst to Plaintiffs, upon information and belief, sometime  
15 between February 17, 2011 and February 12, 2012, Defendant GLOBAL  
16 unilaterally and improperly amended the subject Keyperson Life Insurance Policy  
17 from an Equity Index UL policy as Plaintiffs intended into a term life insurance  
18 policy. Plaintiffs had not agreed to this material modification and deviation of the  
19 basic terms and conditions of the Keyperson Life Insurance Policy.

20 71.Plaintiffs have, thus, been deprived the benefit of the bargain, namely the  
21 Keyperson Equity Index UL Insurance Policy which Plaintiffs had agreed to and  
22 believed that they had, in fact, purchased. This insurance policy should therefore  
23 be properly and legally rescinded in its entirety and all prior insurance premium  
24 payments made properly and fully reimbursed back to Plaintiffs.

25 72.Furthermore, given that the Keyperson Life Insurance Policy had been  
26 materially altered without Plaintiffs' consent or knowledge through a term rider by  
27 Defendant GLOBAL ONE, Plaintiffs no longer had any use for the premium  
28 financing arrangement between itself and Defendant GLOBAL ONE. As such, this